RAILROAD COMMISSION OF TEXAS HEARINGS DIVISION

OIL AND GAS DOCKET NO. 7B-0278211 IN THE ORAN (MARBLE FALLS) FIELD, PALO PINTO COUNTY, TEXAS

FINAL ORDER APPROVING INCREASED NET GAS-OIL RATIO AUTHORITY FOR THE KILGUST LEASE, WELL NO. 1 ORAN (MARBLE FALLS) FIELD PALO PINTO COUNTY, TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on October 30, 2012, the presiding examiners have made and filed a report and recommendation containing findings of fact and conclusions of law, for which service was not required; that the proposed application is in compliance with all statutory requirements; and that this proceeding was duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas.

The Commission, after review and due consideration of the examiners' report and recommendation, the findings of fact and conclusions of law contained therein, hereby adopts as its own the findings of fact and conclusions of law contained therein, and incorporates said findings of fact and conclusions of law as if fully set out and separately stated herein.

Therefore, it is **ORDERED** by the Railroad Commission of Texas that Newark E&P Operating, LLC is hereby granted permission to produce the Kilgust Lease (ID No. 30960), Well No. 1 (API No. 42-363-36045), in the Oran (Marble Falls) Field, Palo Pinto County, Texas, under increased net gas-oil ratio authority with a casinghead gas limit of 200 MCFGPD.

It is further **ORDERED** that the subject well's oil allowable shall not be penalized unless the above permitted casinghead gas limit is exceeded.

It is further **ORDERED** that all accumulated overproduction for the subject well is canceled.

Done this 11th day of December, 2012.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by Hearings Divisions' Unprotested Master Order dated December 11, 2012)